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UNITED STATES
DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

LICENSE SERIES—LICENSE No. 55

LICENSE FOR PROCESSORS OF WOOD
TURPENTINE AND WOOD ROSIN

License issued by the Secretary of Agriculture, May 9, 1934
Effective, 12:01 a.m., eastern standard time, May 13, 1934



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(II)

LICENSE FOR PROCESSORS OF WOOD TURPENTINE AND WOOD ROSIN

Whereas, it is provided by section 8 of the Agricultural Adjustment Act, approved May 12, 1933, as amended (hereinafter called the "act"), as follows:

SEC. 8. In order to effectuate the declared policy, the Secretary of Agriculture shall have power—

(3) To issue licenses permitting processors, associations of producers, and others to engage in the handling, in the current of interstate or foreign commerce, of any agricultural commodity or product thereof, or *any competing commodity or product thereof*. Such licenses shall be subject to such terms and conditions, not in conflict with existing Acts of Congress or regulations pursuant thereto, as may be necessary to eliminate unfair practices or charges that prevent or tend to prevent the effectuation of the declared policy and the restoration of normal economic conditions in the marketing of such commodities or products and the financing thereof. * * *

(4) To require any licensees under this section to furnish such reports as to quantities of agricultural commodities or products thereof bought and sold and the prices thereof, and as to trade practices and charges, and to keep such systems of accounts, as may be necessary for the purpose of part 2 of this title.

Whereas, the Secretary has determined to issue licenses, as hereinafter provided, pursuant to section 8 (3) of said act; and

Whereas, the Secretary, acting under the provisions of said act for the purposes and within the limitations therein contained, after due notice and opportunity for hearing to interested parties given pursuant to the provisions of said act and the regulations issued thereunder, and after due consideration, has on the 20th day of February 1934, executed under his hand and the official seal of the Department of Agriculture, a certain agreement entitled "Marketing Agreement for Gum-Turpentine and Gum-Rosin Processors"; and

Whereas, by virtue of the authority vested in the Secretary of Agriculture of the United States of America (hereinafter called the Secretary) by the act, and pursuant to "General Regulations, Series 4, Revision 1", the Secretary has issued a license to processors of gum turpentine and gum rosin, effective March 13th, 1934; and

Whereas, the Secretary finds that the handling of wood turpentine and wood rosin is entirely in the current of interstate and foreign commerce because such handling is partly interstate and foreign commerce and partly intrastate commerce and so inextricably intermingled that said interstate and foreign commerce portion cannot be effectively regulated or licensed without regulating and licensing that portion which is intrastate commerce; and

Whereas, the Secretary has determined that wood turpentine and wood rosin are commodities competing with gum turpentine and gum rosin,

Now, therefore, the Secretary, acting under the authority vested in him as aforesaid, hereby licenses each and every processor of wood

turpentine and wood rosin (herein referred to as a "licensee") to engage in the handling of wood turpentine and wood rosin subject to the following terms and conditions:

ARTICLE I—DEFINITIONS

As used in this license:

(a) The term "Secretary" means the Secretary of Agriculture of the United States.

(b) The term "act" means the Agricultural Adjustment Act, approved May 12, 1933, as amended.

(c) The term "person" means individual, partnership, corporation, association, and any other business unit.

(d) The term "wood turpentine" means steam-distilled wood turpentine, destructively distilled wood turpentine, and wood turpentine obtained from wood by the sulphate process.

(e) The term "wood rosin" means rosin remaining after the distillation of steam-distilled wood turpentine.

(f) The term "licensee" means any person processing wood turpentine and/or wood rosin.

(g) The term "unit" means one barrel (50 gallons) of wood turpentine and its equivalent of wood rosin (not to exceed seven barrels of approximately 500 pounds each).

(h) The term "package" means any container of wood turpentine and/or wood rosin and includes barrel, drum, tank car, or other receptacle.

(i) The term "books and records" means any books, records, accounts, contracts, documents, memoranda, papers, correspondence, or other written data pertaining to the business of the person in question.

(j) The term "subsidiary" means any person of or over whom a licensee has, either directly or indirectly, actual or legal control, whether by stock ownership or in any other manner.

(k) The term "affiliate" means any person who has, either directly or indirectly, actual or legal control of or over a licensee whether by stock ownership or in any other manner.

(l) The term "control committee" means the control committee established pursuant to article IV of this license.

ARTICLE II—EXPENSES AND ASSESSMENTS

1. The control committee is authorized to incur such expenses and to make such expenditures as may be necessary for the maintenance of this license.

All moneys collected shall be deposited and disbursed in the name of one of the members of the control committee designated as treasurer, who shall furnish bond in an amount satisfactory to the control committee. The control committee shall raise funds which shall not be in excess of fifteen thousand dollars (\$15,000) annually, exclusive of necessary travelling expenses, except that if it is found an additional amount is necessary for the maintenance of this license, such amount may be raised after the approval of the Secretary.

The members of the control committee shall serve without compensation, but shall be entitled to their expenses which are necessarily incurred in the performance of their duties hereunder.

2. Each licensee subject to the jurisdiction of this license shall pay to the control committee his pro rata share of all expenses incurred in the maintenance and functioning of the control committee and its activities and shall make payment upon due notice from the control committee of his share of such expenses, and after opportunity for a hearing to any party dissatisfied with the amount of his assessment. Such pro rata share shall be based upon volume of sales or amount of production, as the control committee may prescribe.

ARTICLE III—REPORTS

1. The licensees shall severally, from time to time, upon the request of the Secretary, furnish him such information on and in accordance with forms of reports to be supplied by him as may be necessary for the purposes of (1) assisting the Secretary in the furtherance of his powers and duties with respect to this license, and/or (2) enabling the Secretary to ascertain and determine the extent to which the declared policy of the act and the purposes of this license will be effectuated, such reports to be verified under oath. The Secretary's determination as to the necessity of and the justification for the making of any such reports, and the information called for thereby, shall be final and conclusive.

2. For the same purposes, and/or to enable the Secretary to verify the information furnished him on said forms of reports, all the books and records of the licensees and the books and records of their affiliates and subsidiaries, shall, during the usual hours of business, be subject to the examination of the Secretary. The Secretary's determination as to the necessity and the justification for any such examination shall be final and conclusive.

3. The licensees shall severally keep books and records which will clearly reflect all financial transactions of their respective businesses and the financial conditions thereof, and shall see to it that their respective affiliates and subsidiaries keep such records.

4. All information furnished the Secretary pursuant to this article shall remain confidential, in accordance with the applicable General Regulations, Agricultural Adjustment Administration.

ARTICLE IV—CONTROL COMMITTEE

1. A control committee consisting of seven members shall be established and continued in the manner hereafter provided.

(a) The licensees of the steam-distilled group, the sulphate group, and the destructively distilled group, respectively, within ten (10) days after the effective date of this license, shall elect, as herein provided, members to serve on the control committee. Each licensee shall be entitled to one vote. The licensees in each of the respective groups shall determine the method of electing their members of the control committee.

1. Three members shall be elected by licensees engaged in processing wood turpentine and wood rosin by the steam-distilled process.

2. Two members shall be elected by licensees engaged in processing wood turpentine by the sulphate process.

3. Two members shall be elected by licensees engaged in processing wood turpentine by the destructively distilled process.

(b) Each of the above groups electing a member or members of the control committee is empowered to elect an alternate member to serve as a member of the control committee in the absence of or in event of the removal, resignation, or disqualification of the original member with full power to act in the place and stead of such original member.

(c) Upon the designation or election of at least five members of said committee, pursuant to subsections (a) and (b) of this paragraph, the control committee may organize and function.

(d) The control committee, when selected, shall forthwith forward to the Secretary the names of the members of the committee and a certificate of the committee indicating the manner and method in which the members of the committee were selected by the respective three groups.

(e) All members of the control committee and the method of electing the members for any particular group shall be subject to the disapproval of the Secretary, and the members of the control committee, or any of them, may be removed by the Secretary within his discretion.

2. Powers and duties:

(a) The control committee shall supervise the performance of the terms of this license.

(b) The control committee shall cause to be kept complete and proper accounts of all receipts, disbursements, and business transactions of the committee and an accurate record of the marketing of all wood turpentine and/or wood rosin by licensees.

(c) The books and records of the control committee shall be open to inspection by the Secretary, or any licensee.

(d) The control committee may appoint a managing secretary, whose salary shall be prescribed by the control committee and whose duties shall be to conduct, from time to time, market surveys, and who shall perform such other duties as may be prescribed by the committee.

(e) The control committee shall have full power and authority to appoint such other employees as may be deemed necessary, to determine the salaries, and to define the duties of such employees.

(f) By appropriate resolution from time to time to appoint and define the duties of additional committees to perform such other functions as may be necessary or desirable in the interest of the licensees.

(g) The control committee shall meet within fifteen (15) days after the effective date of this license to determine quotas of wood turpentine and/or wood rosin for all licensees during the period from April 2, 1934, to December 31, 1934, both inclusive, pursuant to paragraphs 2 (a) and 2 (b) of article V.

ARTICLE V—MARKETING QUOTAS

1. The quantity of wood turpentine and wood rosin to be marketed by licensees for the period from April 2, 1934, to December 31,

1934, both inclusive, shall not exceed seventy-one thousand (71,000) barrels of wood turpentine and three hundred and ninety-nine thousand (399,000) barrels of wood rosin, which shall be apportioned as follows:

(a) 57,000 barrels of wood turpentine and 399,000 barrels of wood rosin, to the processors of steam-distilled wood turpentine and wood rosin.

(b) 9,000 barrels of wood turpentine to the processors of wood turpentine by the sulphate process.

(c) 5,000 barrels of wood turpentine to the processors of wood turpentine by the destructively distilled process.

The aforesaid quantities shall include any wood turpentine and/or wood rosin processed by licensees on and after April 2, 1934, and prior to the effective date of this license; *provided, however*, that the licensees may be permitted to market from April 2, 1934, to December 31, 1934, in addition to the quantities hereinabove named, any stocks of wood turpentine and/or wood rosin that they had on hand April 2, 1934.

The control committee may at any time make recommendations to the Secretary for the increase or decrease of the aforesaid quantities indicating in such recommendations the economic justification for any such change.

2. The quotas of wood turpentine and/or wood rosin for all licensees during the period from April 2, 1934, to December 31, 1934, both inclusive, shall be determined in the following manner:

(a) The control committee shall determine the average annual quantity of (1) wood turpentine and/or wood rosin which each licensee engaged in processing wood turpentine and/or wood rosin by the steam-distilled process, has processed during the period of January 1, 1930, to December 31, 1933, both inclusive, and shall determine the percentage which that quantity bears to the average annual total volume of wood turpentine and/or wood rosin processed by licensees by the steam-distilled processes in the United States during the same period; (2) wood turpentine which each licensee engaged in processing wood turpentine by the sulphate process has processed during the period of January 1, 1930, to December 31, 1933, both inclusive, and shall determine the percentage which that quantity bears to the average annual total volume of wood turpentine processed by the sulphate process in the United States during the same period; and (3) wood turpentine which each licensee engaged in processing wood turpentine by the destructively distilled process has processed during the period of January 1, 1930, to December 31, 1933, both inclusive, and shall determine the percentage which that quantity bears to the average annual total volume of wood turpentine processed by the destructively distilled process in the United States during the same period. The percentage thus obtained shall determine the quota of wood turpentine and/or wood rosin each licensee may market during the period from April 2, 1934, to December 31, 1934, both inclusive.

(b) 1. In the event any licensee engaged in processing wood turpentine and/or wood rosin by the steam-distilled process has not processed wood turpentine and/or wood rosin during the four consecutive years of the period stated in (a) above, the quota of wood turpentine and/or wood rosin for such licensee

shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine and/or wood rosin by the steam-distilled process for said part of the four-year period during which he was a processor of wood turpentine and/or wood rosin by the steam-distilled process.

2. In the event any licensee engaged in processing wood turpentine by the sulphate process has not processed wood turpentine during the four consecutive years of the period stated in (a) above, the quota of wood turpentine for such licensee shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine processed by the sulphate process for said part of the four-year period during which he was a processor of wood turpentine by the sulphate process.

3. In the event any licensee engaged in processing wood turpentine by the destructively distilled process has not processed wood turpentine during the four consecutive years of the period stated in (a) above, the quota of wood turpentine for such licensee shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine by the destructively distilled process for said part of the four-year period during which he was a processor of wood turpentine by the destructively distilled process.

3. On or about October 1st of each year the control committee shall estimate the quantity of wood turpentine and wood rosin and the quantity of gum turpentine and gum rosin which will be available for marketing on January 1st of the ensuing calendar year. Upon the basis of such estimate and upon information from market surveys, the said control committee shall determine, not later than October 15th of each year, the total volume of wood turpentine and wood rosin which may be marketed during the ensuing calendar year.

4. Individual marketing quotas for licensees for the calendar year 1935, and each calendar year thereafter shall be determined by the control committee not later than November 15th next preceding each such calendar year, respectively, in the following manner:

(a) The control committee shall determine the average annual quantity of:

(1) Wood turpentine and/or wood rosin which each licensee engaged in processing wood turpentine and/or wood rosin by the steam-distilled process, has processed during the four (4) years next preceding the year for which such individual quota is to be determined, and shall determine the percentage which that quantity bears to the average annual total volume of wood turpentine and/or wood rosin processed by licensees by the steam-distilled process in the United States during the same period;

(2) Wood turpentine which each licensee engaged in processing wood turpentine by the sulphate process, has processed during the four (4) years next preceding the year for which such individual quota is to be determined, and shall determine the percentage which that quantity bears to the average annual

total volume of wood turpentine processed by the sulphate process in the United States during the same period; and

(3) Wood turpentine which each licensee engaged in processing wood turpentine by the destructively distilled process, has processed during the four (4) years next preceding the year for which such individual quota is to be determined, and shall determine the percentage which that quantity bears to the average annual total volume of wood turpentine processed by the destructively distilled process in the United States during the same period.

The quota for each licensee with respect to the amount of wood turpentine and/or wood rosin which such licensee may market during any such year shall be determined by taking the percentage, thus obtained for each licensee, of the total amount of wood turpentine and/or wood rosin to be marketed during such year, as determined pursuant to paragraph 3 of this article.

(b) (1) In the event any licensee engaged in processing wood turpentine and/or wood rosin by the steam-distilled process has not processed wood turpentine and/or wood rosin during the four (4) years next preceding the year for which such individual quota of wood turpentine and/or wood rosin is to be determined, the quota for such licensee shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine and/or wood rosin by the steam-distilled process for said part of the four-year period during which he was a processor of wood turpentine and/or wood rosin by the steam-distilled process;

(2) In the event any licensee engaged in processing wood turpentine by the sulphate process has not processed wood turpentine during the four (4) years next preceding the year for which such individual quota is to be determined, the quota of wood turpentine for such licensee shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine processed by the sulphate process for said part of the four-year period during which he was a processor of wood turpentine by the sulphate process.

(3) In the event any licensee engaged in processing wood turpentine by the destructively distilled process has not processed wood turpentine during the four (4) years next preceding the year for which such individual quota is to be determined, the quota of wood turpentine for such licensee shall be determined by the percentage which his production for any part of said four-year period bears to the total production of wood turpentine by the destructively distilled process for said part of the four-year period during which he was a processor of wood turpentine by the destructively distilled process.

5. Any licensee dissatisfied with the quota allotted him shall deliver a written statement to the control committee not later than five days after receipt of notice of his quota setting out the basis of his objection and requesting an opportunity to be heard. If after a hearing before the control committee, such licensee is dissatisfied

with the decision of the control committee, an appeal in writing may be taken to the Secretary from such decision by such licensee within ten days after the decision is announced. Pending the disposition by the Secretary of the appeal the licensee involved shall abide by the decision rendered by the control committee unless the Secretary shall rule otherwise pending such disposition. In the event of an appeal, it shall be the duty of the control committee to forward to the Secretary a complete record with regard to the matter. The decision of the Secretary in connection with any such appeal shall be final and conclusive.

6. The control committee shall set aside not less than 3 percent of the total quantity of (a) wood turpentine and/or wood rosin processed by the steam-distilled process to be marketed during the period April 2, 1934, to December 31, 1934, both inclusive, and each ensuing year thereafter for allocation to new processors of steam-distilled wood turpentine and/or wood rosin; (b) wood turpentine processed by the sulphate process to be marketed during the period April 2, 1934, to December 31, 1934, both inclusive, and for each ensuing year thereafter for allocation to new processors of wood turpentine by the sulphate process; (c) wood turpentine processed by the destructively distilled process to be marketed during the period April 2, 1934, to December 31, 1934, both inclusive, and each ensuing year thereafter for allocation to new processors of wood turpentine by the destructively distilled process.

Allocations to new processors shall be made in an equitable manner by the control committee; *provided, however*, that if the quantities set aside for new processors in the respective groups are not absorbed by allotments to new processors in the respective groups, the remaining quantities shall be allotted by the control committee among licensees in the respective groups on the same percentage basis as provided in paragraphs 2 and 4 of article V.

7. Each and every act of the control committee and/or any sub-committee or employee established or appointed pursuant to the provisions of this license shall be subject to the disapproval of the Secretary.

8. No licensee shall market during any year for which a quota has been established for him by the control committee an amount of wood turpentine or wood rosin in excess of such quota; *provided, however*, that licensees may be permitted to market in excess of their 1934 quota, any stock of wood turpentine and/or wood rosin that they had on hand April 2, 1934.

ARTICLE VI—MISCELLANEOUS

1. The Secretary may, by designation in writing, name any person or persons, including any officer or employee of the Government, to act as his agent in connection with any of the powers provided in this license to be exercised by the Secretary.

2. If any provision of this license is declared invalid, or the applicability thereof, to any person, circumstance, or thing is held invalid, the validity of such provision and/or of the remainder of this license and/or the applicability thereof to any other person, circumstance, or thing, shall not be affected thereby.

3. Nothing herein contained shall be construed in derogation of the right of the Secretary to exercise any powers granted him by the act and in accordance with such powers to act in the premises whenever he shall deem it advisable.

4. The control committee may from time to time propose to the Secretary amendments or modifications of this license, but any such amendment or modification shall become effective only when approved by the Secretary and upon the date designated by the Secretary.

5. Nothing contained in this license shall constitute the members of the control committee partners for any purpose, nor shall any member of the control committee be liable in any manner to any one for any act of any other member, officer, agent, or employee of the control committee, nor shall any member of the control committee exercising a reasonable diligence in the conduct of his duties hereunder, be liable to any one for any act or omission to act under this license, except for his own willful malfeasance or nonfeasance in office.

In witness whereof, I, HENRY A. WALLACE, Secretary of Agriculture, do hereby execute, in duplicate, and issue this license in the city of Washington, District of Columbia, on this 9th day of May 1934, and pursuant to the provisions herein, declare this license to be effective on and after 12:01 a.m., eastern standard time, May 13, 1934.

Henry A. Wallace

Secretary.

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